

## Message Text

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17

ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 FEA-01 /094 W

----- 119074

R 220512Z JAN 75

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 4880

INFO AMCONSUL BRISBANE BY POUCH

AMCONSUL PERTH BY POUCH

AMEMBASSY LONDON

AMCONSUL MELBOURNE

AMCONSUL SYDNEY

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

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E.O. 11652: NA

TAGS: EWWT, ENRG, EINV, AS

SUBJ: CALTEX SEEKS RELIEF FROM NEW GOA TANKER POLICY

REF: A. CANBERRA A-11 (NOTAL)

B. CANBERRA 360

1. SUMMARY: AMBASSADOR AND CALTEX CHAIRMAN HAVE DISCUSSED CALTEX EFFORTS TO OBTAIN RELIEF FROM GOA'S NEW TANKER POLICY. PROSPECTS FOR MODIFICATION NOT BRIGHT. EMBASSY REQUESTS DEPARTMENT'S VIEWS ON SIMILAR POLICIES ABROAD. END SUMMARY

2. AMBASSADOR HAS AGAIN BEEN IN TOUCH WITH RAY JOHNSON, CHAIRMAN OF CALTEX GROUP OF COMPANIES IN AUSTRALIA, REGARDING CALTEX EFFORTS TO SEEK RELIEF

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FROM GOA POLICY ANNOUNCED JANUARY 13 (REFS A AND B)

REQUIRING 40 PERCENT OF AUST. PETROLEUM IMPORTS TO BE CARRIED IN AUSTRALIAN REGISTERED AND MANNED SHIPS OPERATED BY AUSTRALIAN OWNED COMPANIES. AFTER RECEIPT OF LETTER AND SUPPORTING DOCUMENTS FROM JOHNSON, AMBASSADOR CALLED HIM JANUARY 22 TO REVIEW SITUATION, DISCUSS JOHNSON'S CONVERSATIONS WITH TRANSPORT MINISTER JONES AND DEPUTY PRIME MINISTER CAIRNS AND EXPLORE WAYS EMBASSY MIGHT BE OF ASSISTANCE.

3. JOHNSON TOLD AMBASSADOR THAT HIS JANUARY 14 TELEPHONE CONVERSATION WITH JONES AND JANUARY 17 CALL ON CAIRNS PROVIDED LITTLE CAUSE FOR OPTIMISM THAT CALTEX SUBSIDIARY SHIPPING COMPANY, BOTANY BAY TANKER COMPANY (BBTC), WILL BE TREATED AS AUSTRALIAN COMPANY FOR PURPOSES OF NEW POLICY. JOHNSON SOUGHT, AS ONE POSSIBLE SOLUTION, TO HAVE BBTC ADDED TO PRESENT LIST OF SEVEN COMPANIES WHICH GOA HAS DECIDED ARE ELIGIBLE TO PROVIDE SHIPPING SERVICES FOR RESERVED 40 PERCENT OF IMPORT TRADE. JONES TOLD JOHNSON THAT CRITERIA USED TO ESTABLISH ELIGIBILITY OF COMPANIES ON LIST DID NOT INCLUDE PERCENTAGE OF AUSTRALIAN EQUITY AND THAT LIST IS "NOT NEGOTIABLE". CAIRNS, IN SUBSEQUENT INTERVIEW, LISTENED SYMPATHETICALLY AND PROMISED TO CONTACT JOHNSON AGAIN LATER AFTER CHECKING SITUATION BUT APPARENTLY GAVE NO INDICATION POLICY WILL BE MODIFIED.

4. EMBASSY COMMENT: CALTEX'S BEST JUSTIFICATION FOR REQUESTING INCLUSION OF BBTC ON LIST OF ELIGIBLE SHIPPING COMPANIES APPEARS TO BE THAT BBTC SHIPS ARE AUSTRALIAN REGISTERED, AUSTRALIAN BUILT AND MANNED BY AUSTRALIAN CREWS. THIS SITUATION HAS RESULTED FROM PRESSURES OF EARLIER GOA. HOWEVER, SINCE BBTC IS 65 PERCENT OWNED BY CALTEX AND 35 PERCENT OWNED BY SLEIGH, WHICH IN TURN IS ABOUT ONE-THIRD OWNED BY CALTEX, IT SEEMS OBVIOUS THAT BBTC EXCLUSION FROM LIST WAS BASED ON FOREIGN OWNERSHIP ISSUE, DESPITE JONES' CLAIM PERCENT OF FOREIGN EQUITY NOT A CRITERION. AS A RESULT, THERE SEEMS TO BE LITTLE LIKELIHOOD GOA WILL ADD BBTC TO LIST OF ELIGIBLE COMPANIES OR OTHERWISE MODIFY POLICY IN CALTEX'S FAVOR. EMBASSY UNDERSTANDS THAT NEW POLICY WILL REQUIRE ALL PRESENT NON-AUSTRALIAN SHIPPERS TO LIMITED OFFICIAL USE

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RELINQUISH 40 PERCENT OF THEIR PREVIOUS CARGO LEVELS TO PROVIDE TRADE FOR NEW AUSTRALIAN SHIPS. NEITHER JOHNSON NOR DEPARTMENT OF TRANSPORT OFFICIALS CONTACTED CAN CONFIRM THIS POINT, INDICATING THAT NEW POLICY HAS NOT BEEN TOO CLEARLY THOUGHT OUT.

5. ACTION REQUESTED: ACCORDING TO JOHNSON, JONES JUSTIFIED NEW GOA POLICY ON GROUNDS THAT OTHER COUNTRIES

HAVE SIMILAR POLICY RESERVING 40PERCENT OF IMPORT  
SHIPPING TO DOMESTIC LINES. JOHNSON SAYS HE IS NOT  
FAMILIAR WITH SUCH THIRD COUNTRY REQUIREMENTS, BUT  
EMBASSY BELIEVES SOME LDC'S, SUCH AS BRAZIL, PROBABLY  
DO PURSUE SUCH POLICIES. EMBASSY REQUESTS DEPARTMENT'S  
COMMENTS ON WHETHER 40PERCENT RESERVATION POLICY IS  
BEING SUCCESSFULLY PURSUED BY OTHER COUNTRIES AND ANY  
THOUGHTS DEPT MIGHT HAVE AS TO HOW CALTEX COULD BE HELPED IN  
OBTAININ RELIEF FROM NEW GOA POLICY.  
GREEN

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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